

LANXESS completes acquisition of Emerald Kalama Chemical

- **Second-largest acquisition in company's history enhances range of consumer protection products**
- **Flavor chemicals and preservatives for use in food, household products, cosmetics and care products**
- **New Flavors & Fragrances business unit at LANXESS**

Cologne, August 3, 2021 – Today, August 3, specialty chemicals company LANXESS completed the acquisition of Emerald Kalama Chemical. The U.S.-based company is a world-leading manufacturer of specialty chemicals. LANXESS signed a purchase agreement on February 14, 2021. All required regulatory approvals have been received. LANXESS financed the purchase price of around USD 1.04 billion (EUR 870 million) from liquid funds.

In 2020, Emerald Kalama Chemical generated global sales of around USD 425 million (EUR 375 million) and EBITDA pre-exceptionals of around USD 90 million (EUR 80 million). Seventy-five percent of sales were attributable to business with specialty products for the consumer care market, especially products for flavors and fragrances as well as preservatives for use in food, household products and cosmetics. One quarter of sales originated from business with specialty chemicals for industrial applications. With the closing of the transaction, LANXESS grows by around 470 employees and the three production sites in Kalama/Washington (USA), Rotterdam (Netherlands) and Widnes (Great Britain).

New Flavors & Fragrances business unit

This second-largest acquisition in its company history elevates LANXESS to being one of the leading providers of products for flavors and fragrances for the consumer sector. Products such as aldehydes and benzoates are distinguished by their premium quality, safety and unique flavor profiles.

LANXESS AG

Contact: Ilona Kawan
Corporate Communications /
Trade & Technical Press
Kennedyplatz 1
50569 Cologne
Germany

Phone: +49 221 8885-1684
ilona.kawan@lanxess.com

Page 1 of 4

The main areas of application for the flavorings and fragrances are personal care products, cosmetics and exclusive fragrances, as well as food and drinks. The products in the new LANXESS portfolio encompass over 30 aroma chemicals, providing a range of earthy, floral, fruity, spicy and herbal notes.

Benzaldehyde, for example, gives items such as food, drinks, personal care products and cosmetics a sweet, almond-like flavor and fragrance. It is a key component in the synthesis of rose and jasmine fragrances in the perfume industry.

LANXESS is incorporating the flavorings and fragrances business into the newly established Flavors & Fragrances business unit led by Holger Hueppeler. "We at LANXESS have decades of experience in technology and production to reliably supply our customers with synthetic chemicals and deliver consistently high-quality ingredients that formulators of flavorings and fragrances can rely on," says Hueppeler, who began his career in 1989 at Bayer and has amassed over three decades of experience in marketing, sales and logistics.

The new business unit will also comprise benzyl alcohol business. The product is used as an ultra-pure preservative for injection solutions and cosmetics and as a synthetic chemical. Other areas of application include the production of fragrances and flavorings and agricultural chemicals.

Nature-identical preservatives for food and household and care products

The acquisition of Emerald Kalama also enables LANXESS to significantly expand its portfolio of preservatives. Key products for the food industry include sodium and potassium benzoate under the Kalama, Purox and Kalaguard brands. They act as gentle preservatives in foods, drinks, personal care and home care products with a pH level of up to 6.5.

LANXESS AG

Contact: Ilona Kawan
Corporate Communications /
Trade & Technical Press
Kennedyplatz 1
50569 Cologne
Germany

Phone: +49 221 8885-1684
Ilona.kawan@lanxess.com

Sodium and potassium benzoate are used primarily as nature-identical preservatives and safely inhibit the growth of bacteria, yeast and mold. They are approved as food additives and preservatives by the U.S. Food and Drug Administration (FDA) and are used in food and drink applications. The new products make perfect additions to LANXESS's existing range of drink stabilizing agents under the Velcorin and Nagardo brands.

Benzyl-based preservatives such as sodium benzoate, benzoic acid and benzyl alcohol are also used in the household products and cosmetics sectors. Sodium benzoate, for instance, effectively inhibits microbial growth up to a pH level of 7. Kalaguard SB is the only sodium benzoate product with approval in the U.S. and Europe for household applications like fabric softeners, cleaning agents and dishwasher products. Its plus points: It is non-irritating to the skin and authorized for use in products certified under green label programs, such as Ecolabel or Nordic Swan.

You can find more detailed information about the company's products on the website at www.lanxess.com.

Euro figures based on exchange rate EUR/USD = 1.14 (average rate in 2020). The purchase price was converted using current exchange rate EUR/USD = 1.19.

LANXESS is a leading specialty chemicals company with sales of EUR 6.1 billion in 2020. The company currently has about 14,800 employees in 33 countries. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

Forward-Looking Statements

This company release contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of LANXESS AG to differ materially from the estimations expressed or implied herein. LANXESS AG does not guarantee that the assumptions underlying such forward-looking statements are free from errors, nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecast developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, estimates, targets and opinions contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, no representative of LANXESS AG or any of its affiliated companies or any of such

LANXESS AG

Contact: Ilona Kawan
Corporate Communications /
Trade & Technical Press
Kennedyplatz 1
50569 Cologne
Germany

Phone: +49 221 8885-1684
Ilona.kawan@lanxess.com

News Release

person's officers, directors or employees accept any liability whatsoever arising directly or indirectly from the use of this document.

Information for editors:

All LANXESS news releases and their accompanying photos can be found at <http://press.lanxess.com>. Recent photos of the Board of Management and other LANXESS image material are available at <http://photos.lanxess.com>.

You can find further information concerning LANXESS chemistry in our digital magazine "Inside LANXESS" at <http://inside.lanxess.com>.

Follow us on Twitter, Facebook, LinkedIn and YouTube:

<http://www.twitter.com/LANXESS>

<http://www.facebook.com/LANXESS>

<http://www.linkedin.com/company/lanxess>

<http://www.youtube.com/lanxess>

LANXESS AG

Contact: Ilona Kawan
Corporate Communications /
Trade & Technical Press
Kennedyplatz 1
50569 Cologne
Germany

Phone: +49 221 8885-1684
Ilona.kawan@lanxess.com